
SECTION 8. SCHEDULE NF-8 – MISCELLANEOUS INFORMATION

All providers must complete sections A and B.

- A. A NF shall submit a Medicare cost report and Medicaid supplemental schedules pursuant to HCFA Provider Reimbursement Manual – Part 2 (Pub. 15-11) Section 102, 102.1, 102.3 and 104 included in this manual.
- B. A copy of a NF's Medicare cost report for the most recent fiscal year end.
- C. A completed copy of the Medicaid supplemental schedules included in this manual shall also be submitted with the NF's Medicare cost report.
- D. A cost report's financial data related to routine services shall be used for statistical purposes.
- E. Financial data related to ancillary services shall be subject to cost settlement.

**SCHEDULE NF-1
PROVIDER INFORMATION**

Attachment 14.9 D
Exhibit B
Page 21 - A

PROVIDER NAME:

PROVIDER NUMBER:

Period from _____ to _____

Leap Year ☐ 365 ☐
664

Street Address: _____

P.O. Box: _____

City: _____

State: _____

Zip Code: _____

Phone: () _____

Fax: () _____

BY _____ Officer of Facility

I CERTIFY that I have examined the accompanying Kentucky
Cost Report for the period ended 01/01/2000
to the best of my knowledge and belief, they are true and
statements prepared from the books and records of 0
in accordance with applicable program directives, except as noted.

(Print)

Officer or Administrator of Facility

(Signed)

Officer or Administrator of Facility

Title

TN# 00-04
Supersedes
TN# 96-10

Approved

AUG 10 2001

Eff. Date 1-1-00

SCHEDULE NF-2 **WAGE AND SALARY INFORMATION**

PROVIDER NAME:

FYE: 01/01/2000

PROVIDER NUMBER:

Pay period start date: _____ End date: _____

A. Wage Information

Cost Category	Hours Paid	Hours Worked	Wages Paid
A. RN	0	0	\$0
B. LPN	0	0	\$0
C. Aides	0	0	\$0
D. Director of Nursing	0	0	\$0
E. Activities	0	0	\$0
F. Medical Records	0	0	\$0
G. Dietary	0	0	\$0
H. Housekeeping/Laundry	0	0	\$0
I. Social Services	0	0	\$0
J. Maintenance	0	0	\$0
Total	0	0	\$0

B. Contracted Services

Category	Hours Paid	Hours Worked	Wages Paid
	0	0	\$0
B. LPN	0	0	\$0
C. Aides	0	0	\$0
Total	0	0	\$0

C. Benefits Paid for by Nursing Facility

	Totals taken from FYE 01/01/2000
Health Insurance	\$0
Life Insurance	\$0
Retirement	\$0
Workers Compensation	\$0
FICA	\$0
Total	\$0

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**SCHEDULE NF-3
STAFF INFORMATION**

FYE: 01/01/2000

PROVIDER NAME:
PROVIDER NUMBER:

Patient Census	Number of Patient Days						
	09/13/99	09/14/99	09/15/99	09/16/99	09/17/99	09/18/99	09/19/99
	0	0	0	0	0	0	0
Staff Category	Number of Staff on Payroll						
	09/13/99	09/14/99	09/15/99	09/16/99	09/17/99	09/18/99	09/19/99
RN	0	0	0	0	0	0	0
RN Staffing - Day	0	0	0	0	0	0	0
RN Staffing - Evening	0	0	0	0	0	0	0
RN Staffing - Overnight	0	0	0	0	0	0	0
LPN	0	0	0	0	0	0	0
LPN Staffing - Day	0	0	0	0	0	0	0
LPN Staffing - Evening	0	0	0	0	0	0	0
LPN Staffing - Overnight	0	0	0	0	0	0	0
Aides	0	0	0	0	0	0	0
Aide Staffing - Day	0	0	0	0	0	0	0
Aide Staffing - Evening	0	0	0	0	0	0	0
Aide Staffing - Overnight	0	0	0	0	0	0	0
Food Service	0	0	0	0	0	0	0
Food Service Workers - Day	0	0	0	0	0	0	0
Food Service Workers - Evening	0	0	0	0	0	0	0
Support Personnel	0	0	0	0	0	0	0
Housekeeping/Laundry Service Workers	0	0	0	0	0	0	0
Social Services Worker	0	0	0	0	0	0	0
Activities Worker	0	0	0	0	0	0	0
Medical Records Worker	0	0	0	0	0	0	0
Maintenance Worker	0	0	0	0	0	0	0
Director	0	0	0	0	0	0	0

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SCHEDULE NF-4
ANCILLARY COSTS

PROVIDER NAME:
PROVIDER NUMBER:
(1)

FYE: 01/01/2000

Physical Therapy
1 Physical Therapist Salaries
2 Physical Therapist Asstnts. Salaries
3 Physical Therapist Aides Salaries
4 Other Salaries_
5 Subtotal-Salaries
6 Employee Benefits Reclassification
7 Contracted Services
8 Equipment Depreciation
9 Other Expenses_
10 Other Expenses_
11 Total

X-Ray
12 Professional Salaries
13 Other Salaries_
14 Subtotal-Salaries
15 Employee Benefits Reclassification
16 Supplies
17 Equipment Depreciation
18 Other Expenses_
19 Total

Laboratory
20 Professional Salaries
21 Other Salaries_
22 Subtotal-Salaries
23 Employee Benefits Reclassification
24 Supplies
25 Equipment Depreciation
26 Other Expenses_
27 Total

(2)	(3)	(4)	(5)	(6)	(7)
Per Books	Reclass- ifications	Adjust- ments	Adjusted Balance	Direct ¹ Costs	Indirect Costs
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0

¹ The direct ancillary costs of physical, occupational, speech, and respiratory therapy includes only those costs of equipment used exclusively for the specified therapy service, and the salary costs, excluding the salary of qualified therapy personnel who perform the service under the on-site supervision of qualified therapy personnel.

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PROVIDER NAME:
PROVIDER NUMBER:
(1)

SCHEDULE NF-4
ANCILLARY COSTS

FY81

Oxygen/Respiratory Therapy
28 Respiratory Therapist Salaries
29 Respiratory Therapist Assistant Salaries
30 Respiratory Therapist Aide Salaries
31 Other Salaries
32 Subtotal-Salaries
33 Employee Benefits Reclassification
34 Supplies
35 Equipment Depreciation
36 Other Expenses
37 Other Expenses
38 Total

Speech
39 Professional Salaries
40 Other Salaries
41 Subtotal-Salaries
42 Employee Benefits Reclassification
43 Equipment Depreciation
44 Other Expenses
45 Other Expenses
46 Total

Occupational Therapy
47 Professional Salaries
48 Other Salaries
49 Subtotal-Salaries
50 Employee Benefits Reclassification
51 Equipment Depreciation
52 Other Expenses
53 Other Expenses
54 Total

(2) Per Books	(3) Reclass- ifications	(4) Adjust- ments	(5) Adjusted Balance	(6) Direct ¹ Costs	(7) Indirect Costs
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
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	0	0	0	0	0
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	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
0	0	0	0	0	0

¹ The direct ancillary costs of physical, occupational, speech, and respiratory therapy includes only those costs of equipment used exclusively for the specified therapy service, and the salary costs, excluding fringe benefits, of qualified therapy personnel who perform the service under the on-site supervision of qualified therapy personnel.

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SCHEDULE NF-5
ADJUSTMENTS AND RECLASSIFICATIONS TO NF-4

PROVIDER NAME:
PROVIDER NUMBER:

FYE: 01/01/2000

RECLASSIFICATIONS

(1)

(2)

(3)

(4)

Sch. &

Line # Affected
(e.g. NF4-1)

Increase
Amount

Decrease
Amount

Explanation

Line

1
2
3
4
5
6
7
8

ADJUSTMENTS

(1)

(2)

(3)

(4)

Sch. &

Line # Affected
(e.g. NF4-1)

* Basis for
Adjustment
(A) or (B)

Amount

Explanation

Line

1
2
3
4
5
6
7
8

* (A) COST (B) REVENUE

**SCHEDULE NF-6
ANCILLARY SETTLEMENT**

PROVIDER NAME:
PROVIDER NUMBER:

FYE: 01/01/2000

- (1)
- 1 Physical Therapy
 - 2 X-Ray
 - 3 Laboratory
 - 4 Oxygen/Respiratory Therapy
 - 5 Speech
 - 6 Occupational Therapy
 - 7 *Total*

(2) Direct (From Sch. NF-4, Col. 6)	(3) Medicaid Direct	(4) Medicaid Payments	(5) Receivable From KMAP (Payable To KMAP)
0	0		0
0	0		0
0	0		0
0	0		0
0	0		0
0	0		0
0	0	0	0

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Eff. Date 1-1-00

SCHEDULE NF-8
MISCELLANEOUS INFORMATION

FYE: 01/01/2000

PROVIDER NAME:
PROVIDER NUMBER:

Current Ownership

the current owners and the percent owned. If the facility is corporately owned,
the officers of the company and their respective title.

Name	Percent Owned

Has the facility had a change of ownership in the past fiscal year?
Ownership is defined as the transfer of the assets of a
facility. The sale of stock in a facility does not constitute a change
of ownership.

Yes ☐

No ☐

Indicate the new owners and the percent owned. If the facility is corporately owned,
the officers of the company and their respective title.

Name	Percent Owned

SECTION 220. INTRODUCTION TO COST-BASED REIMBURSEMENT SYSTEM

- A. The Department for Medicaid Services has established a prospective reimbursement system for costs-based facilities. Cost based facilities include the following:
1. Institutions for Mental Diseases (IMD's);
 2. Pediatric Nursing Facilities; and
 3. Intermediate Care Facilities for the Mentally Retarded and Developmentally Disabled (ICF/MR/DD).
- The reimbursement methodology for the facilities listed is outlined here. Also, included in this section are the facilities that are reimbursed by all-inclusive rates and the Federally defined swing beds. The payment method is designed to achieve two major objectives: 1). To assure that needed facility care is available for all eligible recipients including those with higher care needs and, 2). To assure Department for Medicaid Services control and cost containment consistent with the public interest and the required level of care.
- B. This cost-based system is designed to provide a reasonable return in relation to cost but also contains factors to encourage cost containment. Under this system, payment shall be made to facilities on a prospectively determined basis for routine cost of care with no year-end adjustment required other than adjustments which result from either desk reviews or field audits.
- C. Ancillary services as defined, shall be reimbursed on a cost basis with a year-end retroactive settlement. As with routine cost, ancillary services are subject to both desk reviews and field audits that may result in retroactive adjustments.
- D. The basis of the prospective payment for routine care cost is the most recent annual cost report data (available as of May 16) trended to the beginning of the rate year and indexed for the prospective rate year. The routine cost is divided into two major categories: Nursing Services Cost and All Other Cost.
- E. The payment system also contains various restrictions on allowable costs that are designed to assure that Medicaid payment is limited to the cost of providing adequate resident care.

SECTION 230. PARTICIPATION REQUIREMENTS

PARTICIPATION REQUIREMENTS. Cost-based facilities participating in the Department for Medicaid program shall be required to have at least twenty (20) percent of its beds but not less than ten (10) beds; for a facility with less than ten (10) beds, all beds participate in the Medicare Program.

SECTION 240. REIMBURSEMENT FOR REQUIRED SERVICES UNDER THE PRE-ADMISSION SCREENING RESIDENT REVIEW (PASRR) FOR VENTILATOR UNITS, BRAIN INJURY UNITS, IMD'S, AND PEDIATRIC FACILITIES.

- A. Prior to admission of an individual, a nursing facility shall conduct a level I PASRR in accordance with 907 KAR 1:755, Section 4.
- B. The department shall reimburse a nursing facility for services delivered to an individual if the facility complies with the requirements of 907 KAR 1:755
- C. Failure to comply with 907 KAR 1:755 may be grounds for termination of nursing the facility participation in the Medicaid Program.

SECTION 250. LIMITATION ON CHARGES TO RESIDENTS.

- F. Except for applicable deductible and coinsurance amounts, a NF that receives reimbursement for a Medicaid resident shall not charge a resident or his representative for the cost of routine or ancillary services.
- G. A NF may charge a resident or his representative for an item if the resident requests the item, the NF informs the resident in writing that there will be a charge. A NF shall not charge a resident for an item or service if Medicare or Medicaid pays for the item pursuant to 42 CFR 483.10(c)(8)(ii).
- H. A NF shall not require a resident or an interested party to request any item or services as a condition of admission or continued stay. A NF shall inform the resident or an interested party requesting an item or service that a charge will be made in writing that there will be a charge and the amount of the charge.

-
- I. A NF may charge a resident for the cost of reserving a bed if requested by resident or interested party after the fourteenth (14th) day of a temporary absence from the facility pursuant to 907 KAR 1:022.
 - J. Durable medical equipment (DME) and supplies shall be furnished by the NF and not be billed to the department under separate DME claim pursuant to 907 KAR 1:474.

SECTION 260. ROUTINE COST

- A. Routine costs are broken down into two major categories: Nursing Service costs and All Other costs. Routine Cost includes all items and services routinely furnished to all residents.
- B. NURSING SERVICES COSTS. The direct costs associated with nursing services shall be included in the nursing service cost category. These costs include:
 - 1. Costs of equipment and supplies that are used to complement the services in the nursing services cost category;
 - 2. Costs for education or training including the cost of lodging and meals of nursing service personnel. Educational costs are limited to either meeting the requirements of laws or rules or keeping an employee's salary, status, or position or for maintaining or updating skills needed in performing the employee's present duties;
 - 3. The salaries, wages, and benefits of persons performing nursing services including salaries of the director of nursing and assistant director of nursing, supervising nurses, medical records personnel, registered professional nurses, licensed practical nurses, nurse aides, orderlies, and attendants;
 - 4. The salaries or fees of medical directors, physicians, or other Professionals performing consulting services on medical care which are not reimbursed separately; and
 - 5. The costs of travel necessary for training programs for nursing personnel required to maintain licensure, certification or professional standards.
 - 6. Nurse aide training costs billable to the program as an administrative cost are to be adjusted out of allowable cost.

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- B. ALL OTHER COSTS. Costs reported in the All OTHER COST category includes three major cost centers as reported on the annual cost report: Other Care-Related Cost, Other Operating Costs, Indirect Ancillary Costs, and Capital Costs.
1. Other Care-Related Costs. These costs shall be reported in the other care-related services cost category:
 - a. Raw food costs, not including preparation;
 - b. Direct costs of other care-related services; such as social services and resident activities;
 - c. The salaries, wages, and benefits of activities' directors and aides, social workers and aides, and other care-related personnel including salaries or fees of professionals performing consultation services in these areas which are not reimbursed separately under the Medicaid program;
 - d. The costs of training including the costs of lodging and meals to meet the requirements of laws or rules for keeping an employee's salary, status or position, or to maintain or update skills needed in performing the employee's present duties.
 2. Other Operating Costs. The costs in this category shall include the supplies, purchased services, salaries, wages and benefits for:
 - a. Dietary Services
 - b. Laundry services including the laundering of personal clothing which is the normal wearing apparel in the facility. The cost of dry cleaning personal clothing, even though it is the normal wearing apparel in the facility, is excluded as an allowable cost. Providers shall launder institutional gowns, robes and personal clothing which is the normal wearing apparel in the facility without charge to recipients. The recipient or responsible party may at their discretion makes other arrangements for the laundering of personal clothing.
 - c. Housekeeping
 - d. Plant Operation and Maintenance
 - e. General and Administrative Services
 3. Capital Costs. The costs in this category shall include:

- a. Depreciation on building and fixtures
 - b. Depreciation on equipment
 - c. Capital related interest expense
 - d. Rent
4. Indirect Ancillary Costs. Indirect ancillary costs are those costs associated with ancillary departments (including fringe benefits).

SECTION 270. ANCILLARY SERVICES

- A. Ancillaries are services for which a separate charge is submitted and include:
1. Respiratory Therapy
 2. Speech Therapy
 3. Occupational Therapy
 4. Physical Therapy
 5. Oxygen Service
 6. Laboratory
 7. X-ray
- B. Ancillary therapy services are reimbursed pursuant to 907 KAR 1:023.
- C. Psychological and psychiatric services shall be billed as an ancillary service by an ICF-MR/DD.

NOTE: Effective October 1, 1990 drugs for residents in Cost-Based Facilities shall be reimbursed through the pharmacy program.

- D. Oxygen concentrator limitations. Effective October 1, 1991, the allowable cost of oxygen concentrator rentals shall be limited as follows:
1. A facility may assign a separate concentrator to any resident whom has needed oxygen during the prior or current month and for whom there is a doctor's standing order for oxygen. For the charge by an outside supplier to be considered as an allowable cost, the charge shall be based upon actual usage. A minimum charge by an outside supplier is allowable if this charge does not exceed twenty-five (25) percent of the Medicare Part B maximum. The minimum

charge is allowable if the concentrator is used less than an average of two (2) hours per day during the entire month (for example, less than 60 hours during a thirty (30) day month). The maximum allowable charge by the outside supplier shall not exceed one hundred (100) percent of the Medicare Part B maximum. For the maximum charge to a facility to be considered as the allowable cost, the concentrator shall have been used on average for a period of at least eight (8) hours per day for the entire month (for example, 240 hours during a thirty (30) day month). In those cases where the usage exceeds that necessary for the minimum charge and is less than the usage required for the maximum charge, the reimbursable shall be computed by dividing the hours of usage by 240 and then multiplying the result of this division by the Medicare Part B maximum charge (for example, if a concentrator is used less than 220 hours during a thirty (30) day month and the maximum Part B allowable charge is \$250.00; then the allowable charge is computed by dividing the 220 hours by 240 hours and then multiplying the product of this division by \$250.00 to obtain the allowable charge of \$229.17). Allowable oxygen costs outlined in this paragraph shall be considered to be ancillary costs.

3. A facility shall be limited to one (1) standby oxygen concentrator for each nurses' station. The Medicaid Services Program may grant waivers of this limit. This expense shall be considered as a routine nursing expense for any month in which there is no actual use of the equipment. The allowable cost for standby oxygen concentrators shall be limited to twenty-five (25) percent of the maximum allowable payment under Medicare Part B for in home use.

SECTION 280. INFLATION FACTOR

The inflation factor index shall be used in the determination of the prospective rate shall be established by the Department for Medicaid Services. The index shall be based on Data Resources, Inc. The index represents an average inflation rate for the year and shall have general applicability to all facilities.

The inflation factor shall be applied to nursing services costs and all other costs excluding capital costs.

SECTION 290. PROSPECTIVE RATE COMPUTATION

- A. Prospective rates are established annually for a universal rate year, July 1 through June 30. Rate setting shall be based on the most recent cost reports available by May 16. If a desk review or audit of the most recent cost report is completed after May 16 but prior to universal rate setting for the rate year, the desk reviewed or audited data shall be utilized for rate setting. If a facility's rate is based upon a report that has not been audited or desk reviewed, the facility's rate is subject to revision after the cost report has been audited or desk reviewed.
- B. Allowable routine Cost-Based Facility cost is divided into two components: Nursing Services Cost and All Other Costs.
- C. Allowable cost for the Nursing Services Cost component shall be trended to the beginning of the universal rate year and indexed for the period covering the rate year based on an inflation factor obtained from the Data Resources, Incorporated (DRI) forecast table for Skilled Nursing Facilities.
- D. Allowable cost for the All Other Cost center, with the exception of the Capital Cost sub-component, shall be trended and indexed in the same manner as Nursing Services costs.
- E. The total Cost-Based Facility Cost for each cost category, after trending and indexing, shall be divided by total Certified Cost-Based Facility days in order to compute a per diem. A minimum occupancy limit of ninety (90) percent of certified bed days available, or actual bed days used if greater, and a maximum occupancy limit of ninety-eight (98) percent computed in the same manner, shall be used in computing the per diem.

SECTION 300. ADJUSTMENT TO PROSPECTIVE RATE

- A. Upon request by participating facility, an increase in the prospective rate shall be considered if the cost increase is attributable to one (1) of the following reasons:
 - 1. Governmentally imposed minimum wage increases, unless the minimum wage increase was taken into account and reflected in the setting of the trending and index factor;
 - 2. Direct effect of newly published licensure requirements or new interpretations of existing requirements by the appropriate

governmental agency as issued in regulation or written policy material which affects all facilities within the class. The provider shall demonstrate through proper documentation that a cost increase is the result of a new policy interpretation; or

3. Other direct governmental actions that result in an unforeseen cost increase.

- B. To receive a rate increase (except for Federal or State minimum wage increases), it shall be demonstrated by the facility that the amount of cost increase resulting directly from the governmental action exceeds on an annualized basis, the inflation factor allowance included in the prospective rate for the general cost area in which the increase occurs. For purposes of this determination, costs shall be classified into two (2) general categories, Nursing Service and all other.

Other Cost. Within each of these two (2) categories, costs are to be further broken down into "salaries and wages" and "other costs." Those costs directly related to salaries and fringe benefits shall be considered as "salaries and wages" when determining classifications.

- C. Other unavoidable cost increases of a substantial nature, which can be attributed to a single unique causal factor, shall be evaluated with respect to allowing an interim rate change. Ordinarily budget items such as food, utilities, and interest where cost increases may occur in a generalized manner shall be excluded from this special consideration. Secondary or indirect effects of governmentally imposed cost increases shall not be considered as "other unavoidable cost increases."
- D. The increase in the prospective rate shall be limited to the amount of the increase directly attributable to the governmental action to the extent that the increase on an annualized basis exceeds the inflation factor allowance included in the prospective rate for the cost center in question. In regard to minimum wage increases, the direct effect shall be defined as the time worked by total facility employees times the dollar amount of change in the minimum wage law. However, the amount allowed shall not exceed the actual salary and wage increase incurred by the facility in the month the minimum wage increase is effective. An exception to this shall be considered when there is an unusual occurrence that causes a decrease in the normal staff attendance in the months the minimum wage increase is effective.

- E. The effective date of a prospective rate adjustment shall be the first day of the calendar month in which the direct governmental action occurred. To be allowable, a request for an adjustment to the prospective rate shall be received by the Department for Medicaid Services within sixty (60) days of the direct governmental action, except where the costs are to be accumulated.
- F. If two (2) or more allowable reasons for a rate change occur in the same facility fiscal year, the costs may be accumulated and submitted at one (1) time. Each cost shall be documented. A rate adjustment, if allowed, shall be effective the first day of the calendar month in which the latest direct governmental action occurred if the request is made within the required sixty (60) days.

SECTION 310. RATE ADJUSTMENT FOR PROVIDER TAX

After January 1, 1994, provider tax forms shall be submitted to the Revenue Cabinet with the required supporting Revenue Cabinet schedules. Schedule J-Tax forms shall be submitted by providers by the end of the month in which corresponding filing with the Revenue Cabinet is made.

SECTION 320. OTHER OBRA NURSING HOME REFORM COSTS

Effective October 1, 1990 and thereafter, facilities shall be required to request preauthorization for costs that must be incurred to meet OBRA 87 Nursing Home Reform costs in order to be reimbursed for such costs. The preauthorization shall show the specific reform action that is involved and appropriate documentation of necessity and reasonableness of cost. Upon authorization by the Department for Medicaid Services, the cost may be incurred. A request for a payment rate adjustment may then be submitted to the Department for Medicaid Services with documentation of actual cost incurred. The allowable additional amount shall be added on to the facility's rate (effective with the date the additional cost was incurred) without regard to upper limits or the Cost Savings_Incentive factor (i.e., the authorized Nursing Home Reform cost shall be passed through at 100 percent of reasonable and allowable costs) through June 30, 1991. For purposes of the July 1, 1991 rate setting, amounts associated with OBRA rate adjustments received prior to May 15, 1991 shall be folded into the applicable category of routine cost (subject to upper limits). Preauthorization shall not be required for